

Managing Global Human Capital and Information System in Digital Transformation Era in Indonesian Manpower Placement Services

(Case Study on Indonesian Manpower Placement Services (Penyalur Jasa Tenaga Kerja Indonesia) PT Bina Mandiri Malang)

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Abstract—The phenomenon of globalization causes international migration including labor migration of Indonesian workers. Every year there is an increasing number of migrant workers who go abroad. It is necessary to manage the Indonesian migrant workers thus that they have good skills as an international workforce.

This research considers as descriptive qualitative research. Data collection techniques using library research and internet research. The purposes of this study were: (1) to know how the PT Bina Mandiri conducting human capital management globally to Indonesian migrant workers to become a superior human resource; (2) to know how PT Bina Mandiri perform digital transformation as a strategy to improve global competitiveness; (3) to know how Human Capital information strategy conducted by PT Bina Mandiri to improve the effectiveness and efficiency.

The results of this study show: (1) in managing human capital of PT Bina Mandiri conduct selection and recruitment, training and development to Indonesian immigrant worker to ensure the quality of worker; (2) in digital transformation digital selection and recruitment was used through website to connect employee and employer; (3) Information system used by PT Bina Mandiri internal information system and information system development by SISKOTKLN (Computerized Indonesian immigrant Labor System). Recommendation for PT Bina Mandiri, first, in managing global human capital especially in training development PT Bina Mandiri must have good curriculum that match with global human capital. Second, PT Bina Mandiri should develop good information system as decision support system.

Keywords—Global Human Capital, Information System, Indonesian Migrant Worker.

I. INTRODUCTION

Globalization is a process of increasing the level of interdependence between countries characterized by dependence on all Fields (Akanbi and Ayobami: 2013)¹. One of the increasing interdependence of countries in globalization is the dependence on the human resources of a country with other countries. Thus, this globalization phenomenon causes international migration including labor migration. Labor migration is a migration of the population from a country that supplies labor to a country in need of labor.

Indonesia is an integral part of the process of globalization cannot break away with the phenomenon. Indonesia is a country that has a large population and has a high unemployment rate. On the other hand, many countries have fast-moving economies that require labor but the labor force in the country is unable to provide sufficient employment. So, Indonesia sends its Manpower to countries in need. Therefore, in its development, Indonesia migrant worker destination countries from year to year also continue to grow.

According to BN2PTKI (National Agency for Placement and Protection of Indonesian Workers) the number of Indonesian migrant laborers in the world continues to increase. Indonesian Migrant Workers (TKI) who work overseas now already millions of people. Head of BNP2TKI noted there are at least 6.5 million number of migrant workers working in 142 countries (Detik.com: 2012)². The five most destined countries are Malaysia, Taiwan, Hong Kong and Saudi Arabia with domestic worker, caregiver, operator, plantation worker and general worker. (BNP2TKI: 2017)³.

Every year the government of Indonesia always make placements to Indonesian workers abroad either government to government or business to business. Below is the data on the development of placement of Indonesian

labor migrants from 2016 to January to October. From the table1, it can be concluded that an increase in the number of migrant workers sent abroad.

Table.1: The number of Indonesia Migrant Workers Sent to Abroad

No	Month	Year	
		2016	2017
1	January	23.665	16.999
2	February	17.449	19.741
3	March	20.120	22.230
4	April	18.935	19.229
5	May	19.098	22.496
6	June	20.078	19.721
7	July	15.921	23.826
8	August	21.335	20.856
9	September	18.844	16.642
10	October	20.101	18.349
Total		195.546	200.089

Source: BNP2TKI, 2017

With the increasing number of Indonesian Migrant Workers, it is necessary to manage the Indonesian migrant worker so that they have good skills as an international workforce. One of the party responsible for the quality of Indonesian human resources are migrant worker Company Indonesian Manpower Placement Services (PJTKI). One PJTKI in Indonesia is PT Bina Mandiri

In managing PJTKI using technology in its organization. PJTKI has conducted digital transformation that uses information system in the selection, recruitment and placement of its workforce.

Thus, in this paper the author is interested to write a paper entitled "Managing Global Human Capital and Information System in Digital Transformation Era in Indonesian Manpower Placement Services (Case Study on Indonesian Manpower Placement Services (Penyalur Jasa Tenaga Kerja Indonesia) PT Bina Mandiri Malang)."

II. LITERATURE REVIEW

2.1. Global Human Capital

Human Capital is a combination of knowledge, skills, innovation, and the ability of a person to carry out his duties to create a value to achieve goals. The formation of added value contributed by human capital in carrying out its duties and work will provide future sustainable revenue for an organization.

Meanwhile, according to Matthewman & Matignon in Gaol (2014)⁴ defines human capital as an accumulation of knowledge, expertise, experience and attributes of other relevant worker powers within the organizational strength of an organization and boosts productivity, performance and achievement of strategic objectives.

Can be concluded Global human capital is a set of employees globally and across countries. According to Mayo (2000)⁵ in his journal entitled "The Role of Employee Development in the Growth of Intellectual Capital ", human capital has five components that have different roles in creating a human capital company that ultimately determines the value of a company. The five components of human capital are individual capability), individual motivation, leadership, the organizational climate, and workgroup effectiveness.



Fig.1: Five Components of Human Capital (Mayo:2000)

2.2. Digital Transformation

According to Lee (2001)⁶ digital transformation is a conversion from something analogous to something that is digital. Based on the definition put forward by Lee digital transformation is a process of conversion of goods or services that are analogous to digital form.

Digital transformation is part of the process of greater technology and this is a change associated with the application of digital technology in all aspects of life that exist in society. Digital transformation can be considered as the third stage of embracing digital technology: digital competency → digital usage → digital transformation, with usage and transformative capabilities in informing digital consciousness. The transformation stage means that the inherent use of digital enables a new kind of innovation and creativity in a domain, not just improving and supporting traditional methods.

In a narrow sense, digital transformation can refer to paperless concepts and affect both individual businesses and entire segments of society, such as government, mass communication, the arts, medicine, and science.

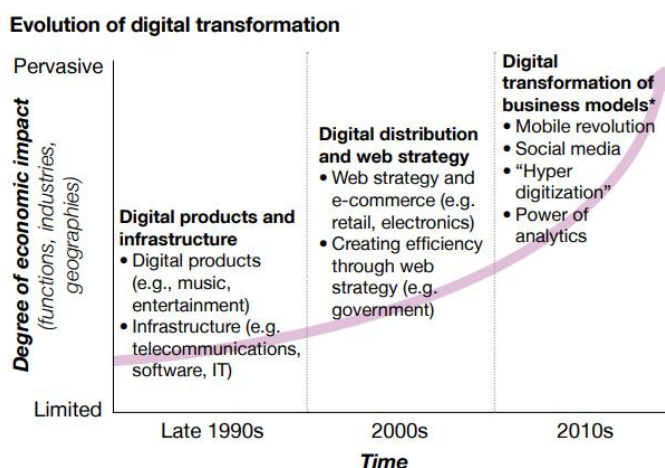


Fig.2: Evolution of Digital Transformation (Bernan and Bell: 2011)⁷

2.3. Human Capital Information System

Human capital information system is a database system that allows users to store and track various types of data related to human capital that exist within a company. Usually in the human capital information system using certain applications purchased by the company. (Dusmanescu And Martinovic: 2011)⁸.

Human capital information using the new dimension of the computer network so that people who are in the company can access online through the network. In the Human Capital Information System usually consists of several modules below:

- Collection and monitoring is an application for employees who are used for online recruitment that permit prospective employees to apply for certain positions. Then the HR department can collect data from prospective employees who register
- Record keeping is an application that can store all employee personal data into a database application.
- Payroll module is an automated application related to the payment of employee salary based on the time and attendance of employees, minus the taxes and so on. Benefits Administration provides administration of employee participation in various forms of benefits.
- Training module and learning management systems provide a system for organizations to administer and track employee training and development efforts.
- Performance management is a module that serves to monitor employee performance.
- Employee Self-Service in modern environment is module based on web technology which allows employee, together with professionals in HR department to manage the employee's database.

III. RESEARCH METHOD

Based on the problems presented, the author chose to use descriptive research method. Descriptive research is a research conducted to process the data under study with a description or explanation that has been analyzed systematically. This research considered as qualitative research. According to Azwar (1997)⁹, the qualitative approach is an approach that emphasizes his analysis on the deductive and inductive processes and on the analysis of the dynamics of the relationship between observed phenomena, using scientific logic. Research using qualitative methods will measure certain aspects of a data. According to Creswell (2009)¹⁰ explained that quantitative research methodology has six steps to build a systemically research.

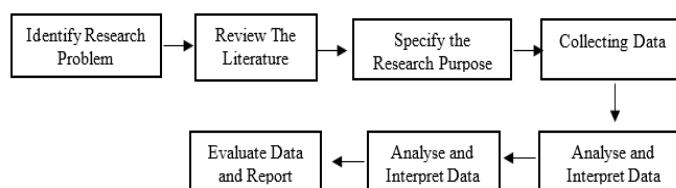


Fig.3: Research Step (Creswell: 2009)

The methods described above will be used by the author as a reference for analysis in this paper. First, identifying research problem, second, reviewing literature that related to the problem, third collecting data from the company, and last analyzing and interpreting the data. The step does by the author based on this research process cycle.

The data collection technique is a series of important and strategic research in the study. Through data collection techniques, the author can obtain the necessary data and can collect valid and representative information for analysis. Methods of data collection according to Arikunto (2006)¹¹ is a way that can be used by researchers to collect data. In this study, data collection techniques used are library research and internet research.

IV. RESULT AND DISCUSSION

4.1. Company Profile

PT Bina Mandiri is a family company engaged in the labour recruitment industry and distribute it abroad. The company has been operating for two generations for about 3 decades. Although the family company PT Bina Mandiri has transformed into a professional company and most representative as a recruitment agency in Indonesia. Placements conducted by PT Bina Mandiri more than 25 countries in 5 continents with various job positions. Started in 1987, Mrs. Tri Astuti builds the first training center in Indonesia focusing on Indonesian workers lacking skills training, Language, and cultural knowledge. So, when the Indonesian workforce is not well prepared

then they cannot work optimally and have the possibility to be exploited.

In 1989, Tri Astuti built PT Bina Mandiri which is the first recruitment agency company in Indonesia located in East Java. Then PT Bina Mandiri has sent more than 40.000 Indonesian workforce more than 25 countries

PT Bina Mandiri is committed to conduct training to Indonesian workers who will work abroad and become one of the reference of Indonesian Manpower Industry. Now Bina Mandiri will keep its services as a "Reliable Partner in Global Workforce"¹²

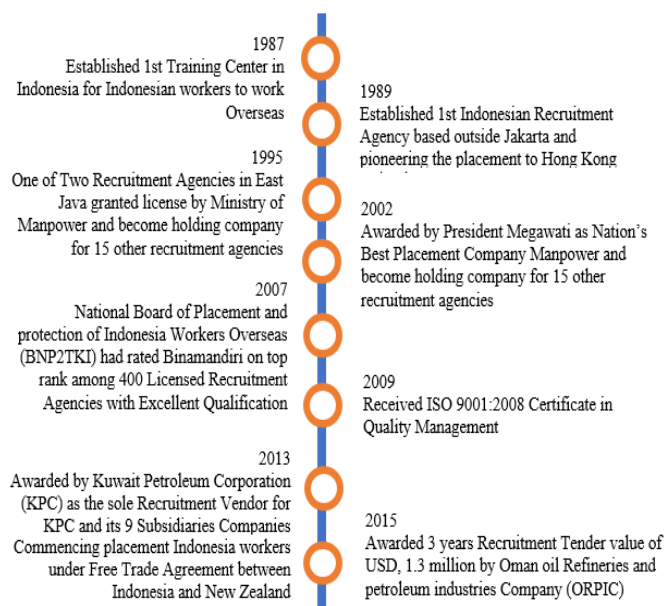


Fig.4: Milestone of PT Bina Mandiri (Binamandiri.com)¹³

4.2. Global Human Capital Strategy by PT Bina Mandiri in Creating Competitive Indonesian Labor.

In the Managing Global Human Capital PT Bina Mandiri in Recruitment and Selection Process as follows:

- Identification**
At this stage consists of an in-depth analysis of the position and the specifications required by companies that require labor.
- Research**
Includes strategic planning of talent pool candidate's extensive integration of industry resources, virtual communities, and proven cold calling approaches.
- Recruiting**
Using databases of candidates and companies that are active in finding employment locally and globally.
- Interviewing**
The interview process to prospective employees coming from the recruitment process consisting of candidate database. The interview process is used to ensure the process of recruiting workforce goes smoothly.

- Acceptance**
Consultation and negotiation of all elements surrounding an employment offer. Hands on involvement ensures that the candidate identified get hired and stays hired.
- Mobilization**
At this stage ensure that all licenses and documents run smoothly in accordance with the regulations in Indonesia and the destination country

Training and Development

Training and development undertaken by PT Bina Mandiri to the Indonesian Migrant Worker include:

- Skill training** is a training related to the skills needed in the world of international work
- Cultural training** is related to cross culture management
- Language training** aimed at improving the communication skills of Indonesian workers in destination countries. Languages taught to Indonesian Labor Migrant are English and Language of destination country.

PT Bina Mandiri conducts training on Indonesian workers to be sent abroad industry served by various industries including:

- Scope of Service Oil and Gas, Mining and Heavy Industries**
PT Bina Mandiri can supply the needed labor in baux oil, gas, mining and Heavy Industry covering Workers, Draughtsman, Technicians, Operators, and Engineers up to Senior Engineers with minimum 5 years' experience internationally and domestically.
- Scope of Service Hospitality Sector**

In the field of hospitality PT Bina Mandiri able to supply the following workforce:

- 1) Kitchen Department (Cooks / Chefs)
- 2) F & B Staffs (incl. Fast Food Staffs)
- 3) Housekeeping Staffs
- 4) SPA staffs
- 5) Receptionists and Back Office Staffs
- 6) Engineering Department
- 7) Wait Staffs

Bina Mandiri selects graduates from accredited Tourist Colleges in Indonesia who have worked in 4-5 stars Hotels and Fine Dining Restaurants dealing with foreign guests.

- Scope of Service Agriculture Sector**
With 2000 Nursing Colleges and 75 Medical Faculties throughout Indonesia, certainly Indonesia is a potential resource to fill the huge gap of health staffs throughout the world. Binamandiri can provide:

- 1) Caregivers
- 2) Midwives
- 3) General Nurses

- 4) Paramedics
- 5) Therapist
- 6) Physiotherapist
- 7) Radiographer
- 8) Analyst

d. Scope of Service Domestic Sector

In domestic sector PT Bina Mandiri able to supply Indonesian labor as follows:

- 1) Baby Sitter
- 2) Caregivers
- 3) Butlers
- 4) Cooks
- 5) Gardeners
- 6) Drivers

4.3. Digital Transformation Strategy by PT Bina Mandiri in increasing Global Competitiveness.

Some of the digital transformation conducted by PT Bina Mandiri is one of PT Bina Mandiri's efforts to increase competitiveness, i.e. there are two aspects. The first digital transformation is intended for Candidate Indonesian Workers and the second is Digital Transformation for the parties in the destination country

4.3.1. Digital Transformation in Recruitment

Digital transformation being carried out by PT Bina Mandiri intended for prospective Indonesian migrant workers is an online Recruitment. The previous recruitment process is manual and does not use information technology in its recruitment process such as job publication using pamphlets and posters. With the increasing use of internet in the community then the use of online system in the recruitment. Recruitment in PT Bina Mandiri is web based.

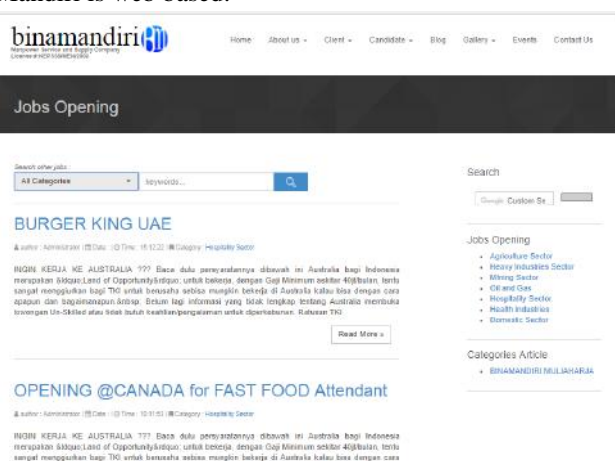


Fig.5: Job Posting Posting of PT Bina Mandiri (Binamandiri.com)¹⁴

The job seekers who want to work abroad just looking for a job in the Jobs opening menu. In this menu, the candidate of labor must register and login. After obtaining

the account then look for categories based on categorical jobs including agriculture sector, domestic sector, Health Industries, Heavy Industries, hospitality, mining sector, oil and gas sector. Then do a search according to the desired keyword.

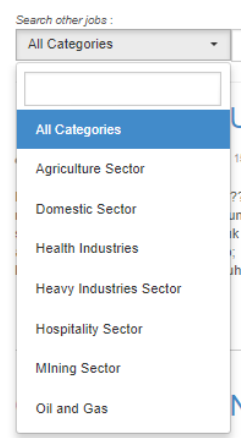


Fig.6: Categories in Job Posting of PT Bina Mandiri (Binamandiri.com)¹⁵

4.3.2. Digital Transformation in Placement to International Client.

Digital transformation is carried out in a relationship with existing clients abroad that is the use of websites and online-based communication in contact with foreign parties. If you only used offices in other countries or worked with agencies in other countries now PT Bina Mandiri has a website to inform you about the company. With the use of online-based information technology is the existing clients abroad become easier to find labor through PT Bina Mandiri. In the home page of the website there are two Client menu choices for those seeking employment from Indonesia and the second Candidate for prospective Indonesian workers.



Fig.7: Binamandiri Homepage website (Binamandiri.com)¹⁶

4.4. Human Capital Information System of PT Bina Mandiri in Creating Efficiency and Effectiveness

PT Bina Mandiri implemented a human capital information system to improve effectiveness and efficiency. The implementation of Human Capital information system in PT Bina Mandiri is divided into two.

4.4.1. Information Systems That Exist Within the Internal Company

This information system contains data base in the company about prospective Indonesian workers who will be sent abroad, training process, placement process and database of international clients that require manpower.

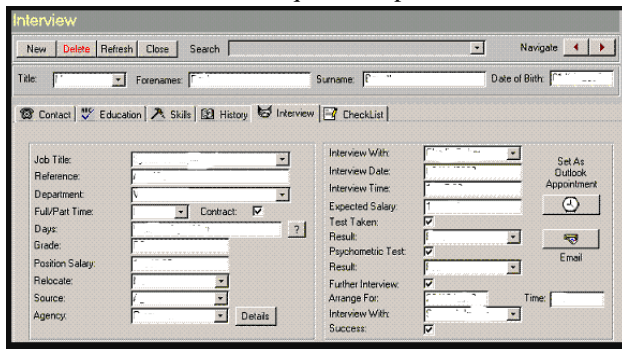


Fig.8: Microsoft Access

The database system used by PT Bina Mandiri uses a simple way of using Microsoft Access. Microsoft Office Access is a relational computer database application program aimed at home and small to medium sized businesses. This application is a member of several Microsoft Office applications, in addition of course Microsoft Word, Microsoft Excel, and Microsoft PowerPoint. This application uses the Microsoft Jet Database Engine database engine, and uses an intuitive graphical display to make it easier for users.

4.4.2. Indonesian Manpower Information System involving National Agency for Placement and Protection of Indonesian Workers (BNP2TKI)

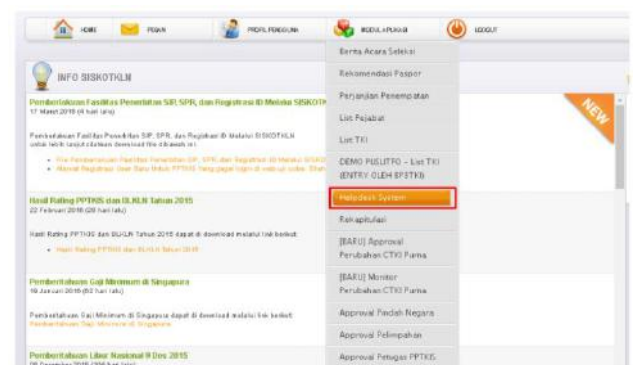
This information system called SISKOTKLN (Computerized Foreign Labor System) or Computerized System is a data collection system for Indonesian Workers Candidate who will leave abroad. SISKOTKLN integrates Stakeholders in relation to placement of Indonesian Migrant Workers, including City, Overseas Work Training Center, Health Facility, Insurance, Psychological Examination, Competency Test Institution, Financial Institution, and Indonesian Representative Office overseas

SISKOTKLN utilizes the latest technology in its implementation process. Use of Biometric Technology to ensure that Indonesian Migrant Workers attend training at the Overseas Training Centre and the duration corresponding to the country concerned. The final result of SISKOTKLN is the card that becomes the identity of the overseas Workers.



Fig.9: Login page of SISKOTKLN
(siskotkln.bnp2tki.go.id)¹⁷

After login, it will see the view as follows in figure10. On the menu, we will see some of the menu that is home, Message, user profile and application module logout. In the application module, many applications are used by the Indonesian workforce to get permission to work abroad. The application includes news of selection event, recommendation of placement, official list, Help desk system, approval of state move, approval delegation, PPTKIS approval (Private Employment Placement Executor).



SISKOTKLN also serves to provide information to Indonesian laborers working abroad including the latest regulations from the government, and the regulations of the destination country. With this SISKOTKLN facilitate the workforce of Indonesia in following the process of selection and recruitment and licensing process abroad. So that the application process does not need to use the manual system that requires a long time but with using information system becomes more easy and efficient.

V. CONCLUSION AND RECOMMENDATION

5.1. Concussion

Below the conclusion from result and discussion

- PT Bina Mandiri has implemented Global Human Capital Strategy in Creating Competitive Indonesian Labour. Consist of selection, recruitment and training

program.

- b. To increasing global competitiveness PT Bina Mandiri has implemented Digital Transformation Strategy. For the candidate of Indonesian migrant labor and international client.
- c. Human Capital Information System has implemented by PT Bina Mandiri in creating efficiency and effectiveness. The human capital information system consists of Microsoft access and SISKOTKLN.

5.2. Recommendation

- a. In managing global human capital especially in training development PT Bina Mandiri should creating good curriculum that match with global human capital.
- b. PT Bina Mandiri should develop good information system as decision support system not only data about the Indonesia migrant worker but also this data able to show the statistic. Thus, PT Bina Mandiri should upgrade the information system.

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